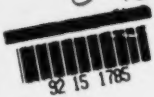

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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FORM 10-Q

092-2268

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTER ENDED MARCH 31, 1992 OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ____ TO ____

Commission File No. 0-14147

QUESTAR PIPELINE COMPANY
(Exact name of registrant as specified in its charter)

STATE OF UTAH (State or other jurisdiction of incorporation or organization)	87-0307414 (I.R.S. Employer Identification No.)
P.O. Box 11450, 79 South State Street, Salt Lake City, Utah (Address of principal executive offices)	84147 (Zip Code)

Registrant's telephone number, including area code: (801) 530-2400

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of April 30, 1992
Common Stock, $1.00 par value	6,550,843 shares

Registrant meets the conditions set forth in General Instruction H(a)(1) and (b) of Form 10-Q and is filing this Form 10-Q with the reduced disclosure format.

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QUESTAR PIPELINE COMPANY
STATEMENTS OF INCOME
(Unaudited)

	3 Months Ended March 31,		12 Months Ended March 31,	
	1992	1991	1992	1991
	(In Thousands of Dollars)			
REVENUES	$71,844	$86,588	$215,556	$237,429
OPERATING EXPENSES				
Natural gas purchases	41,397	53,540	111,926	132,521
Operating and maintenance	11,899	12,685	45,913	48,059
Depreciation	3,450	3,238	13,399	12,523
Other taxes	1,053	908	3,775	3,445
TOTAL OPERATING EXPENSES	57,799	70,371	175,013	196,548
OPERATING INCOME	14,045	16,217	40,543	40,881
INTEREST AND OTHER INCOME	282	354	1,863	3,252
INCOME FROM UNCONSOLIDATED AFFILIATES	45	105	1,913	423
DEBT EXPENSE	(3,364)	(3,282)	(13,819)	(12,464)
INCOME BEFORE INCOME TAXES	11,008	13,394	30,500	32,092
INCOME TAXES	4,012	4,781	10,060	11,469
NET INCOME	$6,996	$8,613	$20,440	$20,623

QUESTAR PIPELINE COMPANY
CONDENSED BALANCE SHEETS
(Unaudited)

	March 31, 1992	March 31, 1991	December 31, 1991
	(In Thousands)		
ASSETS			
Current assets			
Cash and short-term investments	$2,566		$933
Notes receivable from parent company	28,300	$33,500	5[illegible]
Accounts receivable	25,420	28,594	42,133
Inventories	22,112	17,997	31,602
Other current assets	2,078	3,800	2,322
Total current assets	80,476	83,891	81,990
Property, plant and equipment	481,363	447,027	477,373
Less allowances for depreciation	165,329	150,310	161,749
Net property, plant and equipment	316,034	296,717	315,624
Investment in unconsolidated affiliates	5,556	4,001	5,209
Other assets	7,513	1,954	8,063
	$409,579	$386,563	$410,886
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current liabilities			
Checks outstanding in excess of cash balances		$5,302	
Accounts payable and accrued expenses	$32,055	37,462	$37,120
Purchased gas adjustments	9,379	1,279	7,911
Current portion of long-term debt		5,500	
Total current liabilities	41,434	49,543	45,031
Long-term debt, less current portion	134,454	108,242	134,449
Deferred credits	789	562	300
Deferred income taxes	57,471	57,225	58,671
Common shareholder's equity			
Common stock	6,551	6,551	6,551
Additional paid-in capital	57,034	57,034	57,034
Retained earnings	111,846	107,406	108,850
Total common shareholder's equity	175,431	170,991	172,435
	$409,579	$386,563	$410,886

QUESTAR PIPELINE COMPANY
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	3 Months Ended March 31,	
	1992	1991
	(In Thousands)	
OPERATING ACTIVITIES		
Net income	$6,996	$8,613
Depreciation	3,931	3,614
Deferred income taxes	(1,200)	(2,147)
Income from unconsolidated affiliates	(45)	(105)
	9,682	9,975
Change in operating assets and liabilities	23,894	34,316
NET CASH PROVIDED FROM OPERATING ACTIVITIES	33,576	44,291
INVESTING ACTIVITIES		
Capital expenditures		
Purchase of property, plant and equipment	(4,333)	(8,132)
Other investments	(302)	(944)
Distributions from unconsolidated affiliates		144
Proceeds (uses) from disposition of property, plant and equipment	(8)	673
CASH USED IN INVESTING ACTIVITIES	(4,643)	(8,259)
FINANCING ACTIVITIES		
Decrease in notes payable to parent company		(4,500)
Increase in notes receivable from parent company	(23,300)	(33,500)
Dividends paid	(4,000)	(4,000)
CASH USED IN FINANCING ACTIVITIES	(27,300)	(42,000)
CHANGE IN CASH AND SHORT-TERM INVESTMENTS, AND CHECKS OUTSTANDING IN EXCESS OF CASH BALANCES	$1,633	($5,968)

QUESTAR PIPELINE COMPANY
NOTES TO CONDENSED FINANCIAL STATEMENTS
(Unaudited)

March 31, 1992

NOTE A – Basis of Presentation

The interim financial statements furnished reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. All such adjustments are of a normal recurring nature. Due to the seasonal nature of the business, the results of operations for the 3-month period ended March 31, 1992, are not necessarily indicative of the results that may be expected for the year ended December 31, 1992. For further information refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1991.

QUESTAR PIPELINE COMPANY
MANAGEMENT'S ANALYSIS

March 31, 1992

Results of Operations

Following is a summary of operating information for the company:

	3 Months Ended March 31,		12 Months Ended March 31,	
	1992	1991	1992	1991
Natural gas volumes (in thousands of decatherms)				
Sales for resale to Mountain Fuel	17,735	20,311	45,058	49,213
Transportation				
For Mountain Fuel	11,710	13,163	33,128	30,177
For other customers	41,815	37,016	169,788	152,258
Total transportation	53,525	50,179	202,916	182,435
Total system throughput	71,260	70,490	247,974	231,648
Gathering				
For Mountain Fuel	24,901	7,736	37,275	17,236
For other customers	2,471	2,674	13,438	13,984
Total gathering	27,372	10,410	50,713	31,220
Natural gas revenues (per decatherm)				
Sales for resale	$3.01	$3.48	$3.44	$3.74
Transportation	0.20	0.21	0.21	0.20
Gathering	0.21	0.23	0.21	0.19

Total throughput was higher in the 1992 periods as increases in transportation volumes offset decreases in sale-for-resale volumes. The transportation volumes were higher due to increased deliveries to Mountain Fuel's industrial customers and customers of gas-marketing firms, including Universal Resources.

Gas volumes sold to Mountain Fuel for resale declined in the 1992 periods because of warmer weather in Mountain Fuel's service area. The sale-for-resale revenue per decatherm decreased in the 1992 periods because the gathering charge on sales-for-resale volumes was unbundled from the sale-for-resale rate as a result of a general rate case and is being charged separately. The sale-for-resale rate was also lower because reductions in gas-purchase costs were passed through to Mountain Fuel.

Gas volumes gathered for Mountain Fuel increased in the 1992 periods because the gathering charge was unbundled from the sale-for-resale rate. Questar Pipeline began billing separately for gathering service provided on sale-for-resale volumes.

Questar Pipeline filed a general rate case with the FERC on April 30, 1991, and began collecting the new rates, subject to refund, on November 1, 1991. At March 31, 1992, Questar Pipeline had accrued $4,207,000 in potential refunds and interest to customers for this case. Hearings are scheduled to be held with the FERC in July 1992.

Natural gas purchases were lower in the periods ended March 31, 1992, compared with the same periods of 1991, because of reduced sale-for-resale volumes and a decrease in the per-decatherm purchase costs. Operating and maintenance expenses decreased 6% in the first quarter of 1992 compared with the first quarter of 1991 due to lower storage costs. Depreciation expense was higher in the 1992 periods as a result of increased investment in property, plant and equipment. Debt expense increased in the 1992 periods because of the issuance of debentures in June 1991.

The effective income tax rate was 36.4% in the three months ended March 31, 1992 compared with 35.7% in the same period of 1991.

The FERC issued Order No. 636 on the restructuring of the service obligations of interstate natural gas pipelines in April 1992. The Order requires that all pipelines cease the sale of natural gas on a "bundled" basis -- a single service that includes the sale of natural gas as a commodity, transportation, gathering and storage services. Instead, pipelines must now offer these services separately. The Order also requires pipelines to offer a new "no-notice" transportation service that provides the same reliability of service as the traditional sale-for-resale service. In addition, the Order encourages pipelines to transfer gas supply contracts to its sale-for-resale customers and permits pipelines to collect 100% of all prudently incurred transitional costs from its customers. Other requirements on pipelines as a result of the Order include the adoption of the straight-fixed variable rate design (unless all parties agree differently), flexible receipt and delivery points for all shippers and the implementation and management of a capacity-release program for assigning all unwanted firm capacity. Under the Order, the orginal capacity holder remains liable for the costs of the reassigned capacity, unless the pipeline agrees otherwise.

In conjunction with this rule, Questar Pipeline may transfer the merchant function and the associated gas-purchase contracts to Mountain Fuel. Questar Pipeline is required to file a tariff with the FERC by October 1, 1992, that reflects operations under the new rule. Implementation of the new rule is required in advance of the 1993-1994 heating season.

Liquidity and Capital Resources --

Net cash provided from operating activities was $33,576,000 for the first quarter of 1992 compared with $44,291,000 for the first quarter of 1991. The decrease was primarily due to working capital changes.

Capital expenditures were $4,635,000 in the first quarter of 1992 compared with $9,076,000 in the first quarter of 1991. Capital expenditures for the calendar year 1992 are estimated at $42 million. These capital expenditures will be financed with funds from operations, and borrowings from banks, or affiliated companies.

The company had short-term line-of-credit arrangements with banks totaling $10,200,000 at March 31, 1992. There were no borrowings under these lines at March 31, 1992.

PART II
OTHER INFORMATION

Item 1. Legal Proceedings.

(a) Registrant Questar Pipeline Company (Questar Pipeline or the Company) filed its projection of purchased gas costs with the Federal Energy Regulatory Commission (the FERC) on March 31, 1992. The revised tariffs submitted as part of this filing reflect a commodity base cost of $3.18261 per decatherm (Dth), or an increase of $0.46364 per Dth above the $2.71897 commodity base cost reflected in its current rates. The new rates are for the quarter beginning June 1, 1992. The Company's proposed surcharge adjustment is ($0.18520) per Dth compared to the current ($0.04690) per Dth. This surcharge will be in effect for the full year commencing June 1, 1992. Under the FERC's current purchased gas adjustment (PGA) regulations, Questar Pipeline is required to make an annual PGA filing for the 12-month period beginning June 1 and update it quarterly.

The Company's purchased gas costs generally increase during the quarter beginning June 1 due to low sales levels and higher percentages of high-cost gas in the supply mix.

(b) On April 8, 1992, the FERC issued Order No. 636 in the rulemaking proceedings previously referred to as "mega-NOPR." This Order, among other provisions, requires all interstate pipelines to cease the sale of natural gas on a "bundled" basis and to offer previously bundled services separately. It also requires pipelines to offer a new "no-notice" transportation service that provides the same reliability of service on a firm transportation basis as the traditional sales-for-resale service. The Order also encourages pipelines to transfer gas supply contracts to sales customers and permits pipelines to collect 100 percent of all prudently-incurred transition costs from its customers.

The Company is required to file tariff provisions with the FERC by October 1, 1992, to reflect operations under the provisions and policy statements in Order No. 636. It plans

to hold meetings with its customers during the summer to discuss the new rules and proposed tariff changes required to reflect such rules.

(c) On May 15, 1992, the Company will file testimony in its general rate case proceedings, which are scheduled to be heard before an administrative law judge with the FERC at public hearings that begin on July 7, 1992. Questar Pipeline originally filed its application for a general rate increase on April 30, 1991, and has been collecting the rates proposed in such application since November 1, 1991, subject to refund. In its testimony, the Company is supporting an annualized revenue increase of approximately $7 million and an overall return on equity of 15 percent. Extensive settlement discussions have not been successful in resolving the primary issues raised in the proceedings.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

QUESTAR PIPELINE COMPANY
(Registrant)

May 14, 1992

A. J. Marushack
President and Chief
Executive Officer

May 14, 1992

W. F. Edwards
Vice President and Chief
Financial Officer